



NASWA UI Tax Survey 2011

April 26, 2011

State UI tax revenue is projected to increase by about 17 percent in 2011 compared to 2010 through a combination of factors including experience rated taxes on employers, shifts to higher tax schedules, increases in taxable wage bases and increases in total wages as the economy recovers from the Great Recession.

Despite substantial increases in state unemployment taxes over the past two years, state unemployment taxes as a percent of total wages, on average, are only about 1 percent compared to a peak of nearly 1.4 percent in the mid-1980s.

Some nine states reported enacting laws dealing with financing in 2010 and 15 states reported such legislation might be considered in 2011.

With the federal unemployment surtax rate of 0.2 percent scheduled to expire at the end of June and the President's budget proposing changes to deal with federal and state financing of UI, the subject of UI tax revenue and benefits should be of interest for many months to come.

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